



# Overview of the Transportation, Infrastructure, and Capitals Appropriations Subcommittee Funding

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## **The DOT budget is funded from three sources:**

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- **General Fund**
- **Road Use Tax Fund**
- **Primary Road Fund**
  - Primary Road Fund moneys originate from the Road Use Tax Fund



# Road Use Tax Fund Revenues

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➤ **Main Sources:**

- Motor Vehicle Use Tax
- Motor Vehicle Fuel Taxes
- Motor Vehicle Registration & Title Fees

➤ **Other Sources:**

- Driver's License Fees
- Underground Storage Tank Fees
- Interest
- Miscellaneous

**\$1.1 Billion  
Annually**



# Constitutional Mandate

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- Motor Vehicle Fuel Taxes
- Motor Vehicle Registration Fees

**Constitutionally mandated** to be spent for the construction, maintenance, and supervision of the State's public highways.

- Motor Vehicle Use Tax

**Not constitutionally mandated.**



## Road Use Tax Fund Off-the-Top Allocations

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- A portion of Road Use Tax Fund revenue is appropriated either through standing appropriations established in the Code of Iowa or through the appropriations process.
- These Off-the-Top Allocations are used to fund various programs, equipment purchases, facility improvements, and department operations.



# Examples of Off-the-Top Allocations

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## ➤ **Standing Appropriations**

- RISE (Revitalize Iowa's Sound Economy)
- Park & Institutional Roads
- Highway Safety Projects
- City/County Bridge Fund
- County Treasurers

## ➤ **Annual Appropriations**

- DOT Operating Appropriations
- Driver's License Equipment Lease
- County Treasurers
- 511 Travel/Weather Information System
- Transportation Maps



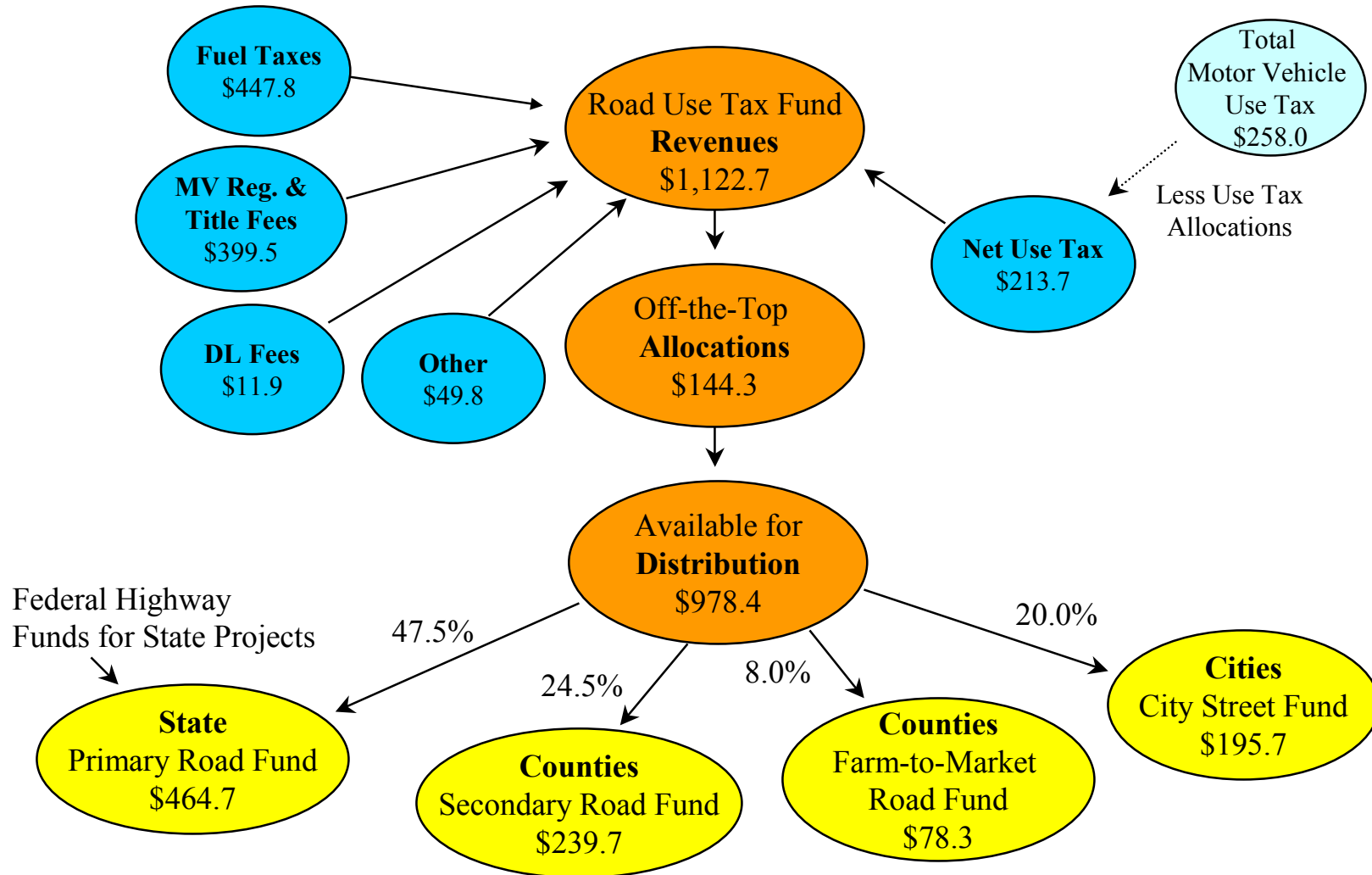
# Road Use Tax Fund Distributions

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- After the Off-the-Top Allocations are funded, the remaining Road Use Tax Fund dollars (roughly \$980.0 million) are distributed to the following funds for construction and maintenance of roads:
  - **Primary Road Fund** (State): 47.5%
  - **Secondary Road Fund** (Counties): 24.5%
  - **Farm-to-Market Road Fund** (Counties): 8.0%
  - **City Street Fund** (Cities): 20.0%

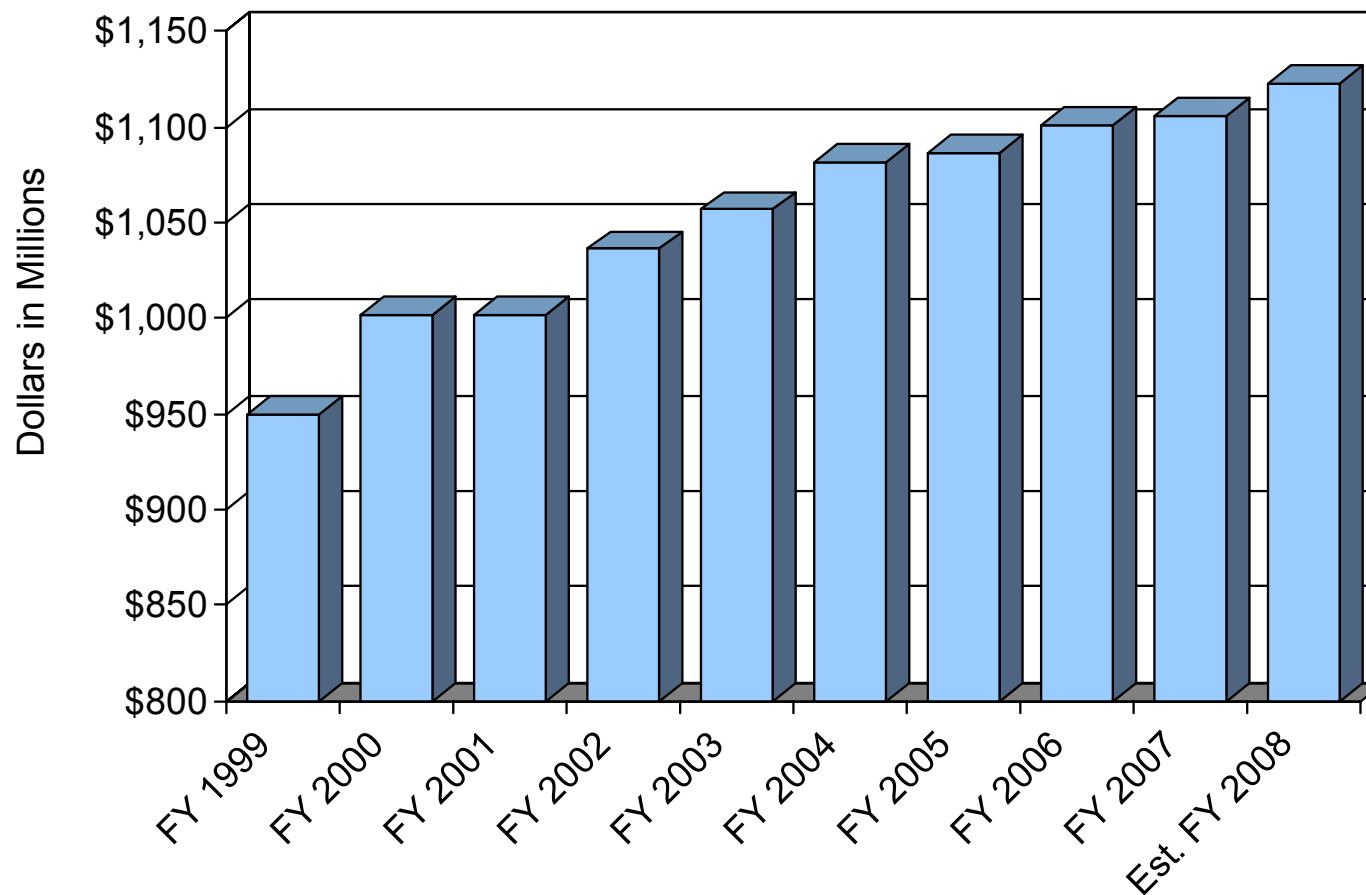
# Estimated FY 2008 Revenues & Allocations

(Dollars in Millions)





# Road Use Tax Fund Revenues 10-Year Comparison





# Department of Transportation Budget Units

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- **Operations** – DOT operating divisions.
- **Special Purpose** – Items that are not directly related to DOT operations, that serve a specific purpose, or that may vary in cost from year to year.
- **Capitals** – Infrastructure improvements that are typically one-time projects, although funding may be requested for similar projects each year in different locations.
- **Programs** – Grant or loan programs.



# Current Infrastructure Funding Sources

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- **Rebuild Iowa Infrastructure Fund (RIIF)**
- **Vertical Infrastructure Fund**
- **Tobacco Funds**
  - **Restricted Capital Fund (RCF)**
  - **Endowment for Iowa's Health Restricted Capital (RC2)**
- **Technology Reinvestment Fund**



# **Rebuild Iowa Infrastructure Fund**

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- **RIIF was established in 1995 Legislative Session with a \$50.0 million General Fund appropriation for FY 1996**
- **Current revenue sources**
  - **Interest earnings from the “Rainy Day Funds”**
  - **Portion of the State Wagering Taxes**
  - **Interest earnings from moneys in RIIF and Environment First Fund**

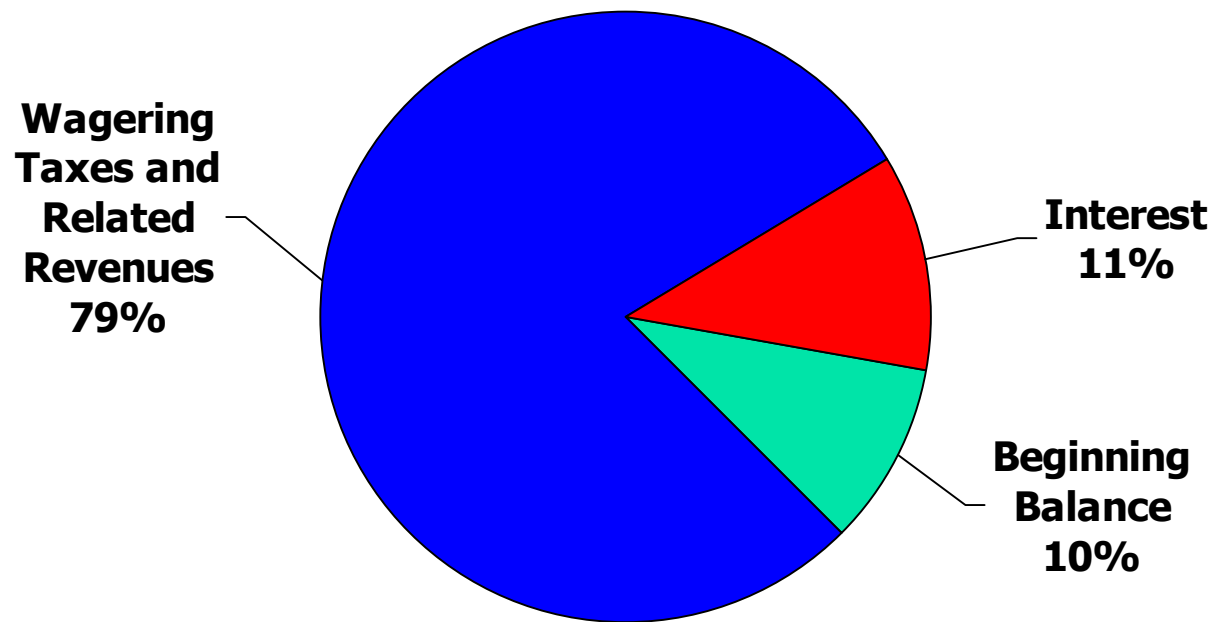


## **Current Distribution of the State's Wagering Tax Allocation**

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- **\$60.0 million to the General Fund**
- **\$15.0 million to the Vision Iowa Fund**
- **\$5.0 million to the School Infrastructure Fund**
- **Remainder to RIIF**

# RIIF Revenues by Source FY 2009 Estimate



Total estimated revenues: \$261.5 million



# Recent and future changes in revenues to RIIF

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- **Transfer of Wagering Tax to the Endowment for Iowa's Health Account**
  - In FY 2004 through FY 2007, \$70.0 million transferred annually to the Endowment
  - In FY 2008, RIIF revenues reflect the additional \$70.0 million transferring back
  
- **Tax Credits to Casinos**
  - Beginning in FY 2009 – land-based casinos allowed to receive a tax credit for 5 years
    - Estimated reduction in revenues to RIIF - \$4.6 million annually
  
  - Beginning in FY 2011- riverboat casinos allowed to receive a tax credit 5 years
    - Estimated reduction in revenues to RIIF - \$6.0 million annually
  
- **License Fee payments from riverboat expansion of FY 2005**
  - FY 2009, RIIF receives last of the \$8.0 million in license fee payments



# Rebuild Iowa Infrastructure Fund

## Balance Sheet (Corrected) (Dollars in Millions)

	Actual FY 2007	Est. FY 2008	Est. FY 2009	Est. FY 2010	Est. FY 2011	Est. FY 2012
<b><u>Revenues</u></b>						
Balance Forward	\$ 25.0	\$ 49.7	\$ 25.7	\$ 0.0	\$ 0.0	\$ 0.0
Wagering Taxes/Related Revenues	128.8	207.6	205.9	200.8	197.8	200.7
Interest	30.9	29.9	29.9	29.9	29.9	29.9
Marine Fuel Tax	<u>2.8</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Revenues	<u>187.5</u>	<u>287.2</u>	<u>261.5</u>	<u>230.7</u>	<u>227.7</u>	<u>230.6</u>
 <b><u>Appropriations</u></b>						
Environment First Fund	35.0	40.0	40.0	40.0	40.0	40.0
Vertical Infrastructure Fund	15.0	50.0	50.0	0.0	0.0	0.0
Other Appropriations	<u>89.3</u>	<u>171.5</u>	<u>81.5</u>	<u>50.3</u>	<u>10.0</u>	<u>10.0</u>
<b>Total Appropriations</b>	<u><b>139.3</b></u>	<u><b>261.5</b></u>	<u><b>171.5</b></u>	<u><b>90.3</b></u>	<u><b>50.0</b></u>	<u><b>50.0</b></u>
Reversions	-1.5	0.0	0.0	0.0	0.0	0.0
<b><i>Available for Appropriation</i></b>	<u></u>	<u></u>	<u><b>90.0</b></u>	<u><b>140.4</b></u>	<u><b>177.7</b></u>	<u><b>180.6</b></u>
 Ending Balance	<u><u>\$ 49.7</u></u>	<u><u>\$ 25.7</u></u>	<u><u>\$ 0.0</u></u>	<u><u>\$ 0.0</u></u>	<u><u>\$ 0.0</u></u>	<u><u>\$ 0.0</u></u>





# Other Infrastructure Funds

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- **Vertical Infrastructure Fund (VIF)**
  - Appropriations from RIIF until FY 2009 sunset
  - \$50.0 million in FY 2009 - \$40.0 million already appropriated
  - Estimated available for FY 2009 - \$18.4 million
  
- **Restricted Capital Funds of the Tobacco Settlement Trust Fund**
  - Most of the moneys have been appropriated
  - FY 2009 - \$5.1 million available in RC2
  - FY 2009 - \$3.3 million available in RCF



## **Current Infrastructure Funds Available FY 2009 – not including the Governor's Recommendations**

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- **\$90.0 million in RIIF**
- **\$18.4 million in Vertical Infrastructure Fund**
- **\$8.4 million in Restricted Capital Funds**
- **Total: \$116.8 million available**



# Questions?

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If you have any further questions, please call or e-mail us:

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